

**State of Indiana Public Employees' 457(b) and 401(a) Plans
Broad Agency Announcement—Target Date Index ex-China, ex-Hong Kong Suite
Questions and Answers**

- 1. Will firms without a long standalone ex-China/ex-Hong Kong target-date track record be considered if they have substantial target-date experience and a credible implementation framework?**

Yes. If your Target Date Index Suite does not have an ex-China, ex-Hong Kong track record, please provide information for the most comparable Target Date Index Suite. Any key differences (e.g., construction, fees, etc.) should be detailed.

- 2. Will firms with extensive index management experience be considered if they propose launching an ex-China/ex-Hong Kong CIT specifically for this mandate? Does the underlying ex-China vehicle itself need an established performance record, or can performance be demonstrated through related index strategies and portfolio history?**

Firms with extensive index management experience will be considered, along with firms launching a new ex-China, ex-Hong Kong mandate. Performance can be demonstrated through related index strategies and portfolio history. As asked in the Broad Agency Announcement ("BAA"), if your Target Date Index Suite does not have an ex-China, ex-Hong Kong track record, please provide the return and benchmark history for the most comparable Target Date Index Suite. Any key differences (e.g., construction, fees, etc.) should be detailed.

- 3. How is the Committee defining China/Hong Kong exclusion? Is the requirement benchmark-based, security-level exclusion, issuer domicile-based, revenue-based, or some combination thereof?**

Indiana Code [5-10.2-13-1](#) defines restricted entities as wholly owned subsidiaries, majority-owned subsidiaries, parent companies, and affiliates that exist for profit-making purpose:

- Anything involved in activities contrary to the national security or foreign policy interests of the U.S.
- Anything tied to China's military
- Domiciled, issued, incorporated, listed in China/Hong Kong
- Any Chinese currency holdings or investment strategy

While the Plans are not subject to these restrictions, the Indiana Deferred Compensation Committee ("Committee") is committed to limiting the Plans' exposure to China and Hong Kong to align the Plans with state law that governs pension investments.

4. What specific objectives are driving the Committee's consideration of excluding China and Hong Kong from the target-date structure?

As fiduciaries of the State of Indiana Public Employees' 457(b) and 401(a) Plans ("Plans"), the Committee is committed to limiting the Plans' exposure to China and Hong Kong to align the Plans with the state law that governs pension investments.

5. Is the Committee evaluating the creation of a custom benchmark (e.g., ACWI ex-China) framework, or does it expect managers to utilize existing third-party benchmarks?

It is anticipated that a third-party benchmark, like the Morgan Stanley Capital International (MSCI) All Country World Index (ACWI) ex USA ex China ex Hong Kong Investable Market Index (IMI), will be utilized for the international equity component of the Target Date Funds.

6. Will only off-the-shelf target-date offerings be considered, or would customized target-date solutions also be eligible?

Customized target-date solutions will be considered; however, the target date funds will need to be unitized. Nationwide can unitize custom funds. The estimated cost is 0.5 basis points. However, please note that the 0.5 basis point custom portfolio fee assumes daily trading of the underlying investments through NSCC. Any other trading processes would need to be reviewed by Nationwide for feasibility and potentially a custom portfolio fee up to 1 basis point annually.

7. Are there any specific glide path requirements or retirement outcome objectives that respondents should consider?

No.

8. Will target-date solutions incorporating guaranteed income or annuity features be considered?

No.

9. Are all current target-date assets expected to transition to the selected provider?

Yes.

10. Following a manager change, is the plan considering an automatic re-enrollment into the new QDIA structure?

No.

11. Beyond the China/Hong Kong exclusion requirement, what factors are expected to carry the greatest weight in the evaluation process (e.g., glide path design, implementation approach, fees, operational readiness, participant outcomes, etc.)?

A comprehensive qualitative and quantitative evaluation will be conducted. No single factor, beyond the ex-China, ex-Hong Kong exclusion, is expected to carry the greatest weight.

12. For respondents offering CIT vehicles, does Nationwide require an NSCC-based operational solution or are alternative CIT operating models acceptable?

Nationwide's primary trading platform is through NSCC and that is the preferred process.

13. As a current manager for the Plans, we would welcome any feedback regarding how the Committee has viewed our relationship and experience to date.

No feedback is available regarding existing manager relationships.

14. Is the objective to identify an existing target date solution that excludes China and Hong Kong, or would the plan consider a customized target date solution? The BAA provides limited information on several factors that would help us assess and structure a potential custom solution.

Existing target date solutions and custom target date funds will be considered. However, customized target date solutions will need to be unitized. Nationwide can unitize custom funds. The estimated cost is 0.5 basis points. However, please note that the 0.5 basis point custom portfolio fee assumes daily trading of the underlying investments through NSCC. Any other trading processes would need to be reviewed by Nationwide for feasibility and potentially a custom portfolio fee up to 1 basis point annually.

15. If a customized solution is being considered, any guidance on the following would be appreciated:

- **Target date glidepath philosophy (to vs. through retirement, aggressive vs. conservative).**

The Plans currently utilize the State Street Target Retirement Funds, which offer a broadly diversified passive approach. The glide path employs a strategic construction and is managed *through* retirement (lands five years post-retirement). The Funds are also low cost.

Additionally, the State Street Target Retirement Funds' proxy voting policy reflects the Indiana Deferred Compensation Committee's preferences—Bowyer Research, which is designed to support traditional shareholder capitalism by opposing ESG initiatives and politicized corporate governance initiatives.

- **Participant demographics (age, salary levels, contribution rates, employer match, etc.).**

Salary levels, contribution rates, and employer match are not consistent given the structure of the Plans (various employers). Additional details will be provided to the selected Target Date provider.

- **Pricing expectations, particularly given the low-cost, passive nature of the SSgA offering.**

A low-cost fee structure is expected given the search is for Target Date Index Funds. The total cost of the current Target Date Funds is 6.5 basis points.

- **Desired diversification approach, asset class composition, and views on active, passive, or hybrid implementation.**

A passive, diversified approach is expected given the search is for a Target Date Index Suite.

- **Current and projected plan assets, contribution flows, and anticipated growth trajectory.**

The Plans' total market value is approximately \$2.6 billion, of which the current Target Date Index Funds represent ~\$695 million in assets (as of June 30, 2026). Net flows for calendar 2025 were: +\$46,388,776 for the total Plans' assets and +\$31,691,144 for the Target Date Funds. Net flows for calendar 2024 were: -\$6,368,627 for the total Plans' assets and +\$39,833,381 for the Target Date Funds.

- **Insight around anticipated fees and glidepath would be key here given the preference for a mutual fund/CIT structure and the existing asset base.**

A low-cost fee structure is expected given the search is for Target Date Index Funds. The total cost of the current Target Date Funds is 6.5 basis points.

16. Will solutions that are ex-China-ex HK with regards to equities, but have a small amount of fixed income exposure to Chinese fixed income securities be considered? Currently, the International Bond Index utilized has a 0.10% exposure to Chinese fixed income. If able to be considered, is there a material preference for those that have no Chinese or HK Fixed income securities versus those that do have the minimal China FI exposure?

The Committee is committed to limiting the Plans' exposure to China and Hong Kong to align the Plans with state laws governing the pension investments. As a result, the preference would be for no Chinese or Hong Kong exposure.

- 17. In section III - B, there is an ask for product information. If our passive TDF series ex-China ex-HK has not been seeded yet, would you like us to use our standard passive TDF series as a proxy? Or we should address specific to the ex-China ex HK series that is available, but unseeded.**

If your Target Date Index Suite does not have an ex-China, ex-Hong Kong track record, please provide information for the most comparable Target Date Index Suite. Any key differences (e.g., construction, fees, etc.) should be detailed.

- 18. We are in the process of completing the Indiana DC Target Date Fund ex China ex Hong Kong RFP and hoping you can help ensure our responses are true and accurate. Our firm has >\$1T in Defined Contribution assets; however, we do not currently offer ex China ex Hong Kong TDFs. Therefore, we are unsure on how best answer the questions regarding performance, AUM, etc.**

If your Target Date Index Suite does not have an ex-China, ex-Hong Kong track record, please provide information for the most comparable Target Date Index Suite. Any key differences (e.g., construction, fees, etc.) should be detailed.

- 19. Can you please confirm if we should respond with information on our flagship TDFs performance, AUM, accounts gain/lost, etc. to illustrate our broader capabilities in the DC space? Or are these quantitative questions specific to ex China ex Hong Kong TDFs, for which all responses would be N/A or \$0? Specifically questions III.A. and B., as we see comparable return and benchmark history is acceptable for V.A.3. For V.B., should we provide anticipated tracking error for both the comparable existing share class and the expected for the new ex China ex Hong Kong, or one or the other? Should we also use the comparable share class tracking error for V.C.?**

If your Target Date Index Suite does not have an ex-China, ex-Hong Kong track record, please provide information for the most comparable Target Date Index Suite. Any key differences (e.g., construction, fees, etc.) should be detailed.